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FOR IMMEDIATE RELEASE

Revised Press Release

Former Baptist Foundation Board Member Pleads Guilty, Agrees to Testify Against Other Defendants

(Phoenix, Ariz. – September 14, 2005) Harold DeWayne Friend pleaded guilty today to one count of attempting to assist a crime syndicate and agreed to testify against the remaining defendants in the criminal trial involving the Baptist Foundation of Arizona (BFA).

Friend, 72, of Paradise Valley, participated in various BFA financial transactions that allowed the Foundation to falsely portray its financial position to investors. In a statement submitted with the plea agreement, Friend admitted to inflating the Foundation's financial statements beginning in 1989. He also admitted to creating transactions to show a profit or gain that would reflect well on BFA's financial standing.

Investigators with the Attorney General's Office and the Arizona Corporation Commission began looking into the Foundation in 1998, when allegations surfaced that BFA was misrepresenting its financial condition to potential investors. The Arizona Corporation Commission issued an order in the summer of 1999 requiring the Foundation to stop selling investments in violation of the Arizona Securities Act. BFA went bankrupt later that year, making it the largest nonprofit bankruptcy in U. S. history.

As part of his plea agreement, Friend agreed to testify against former BFA executives William P. Crotts and Thomas D. Grabinski and former BFA board member Lawrence D. Hoover. He also agreed to pay a \$150,000 fine which will be applied to restitution. Sentencing will be postponed until after he has testified in court.

Friend was originally indicted on three counts of fraud, 27 counts of theft and one count of illegally conducting an enterprise. He was facing more than 33 years in prison.

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